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Seventeenth Annual Report

OF THE

ALBERTA LIQUOR CONTROL BOARD

OF THE

PROVINCE OF ALBERTA 1940

(FROM 1st APRIL, 1940, TO 31st MARCH, 1941)

PUBLISHED BY ORDER OF THE LEGISLATIVE ASSEMBLY

EDMONTON:
Printed by A. Shnitka, King's Printer
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ALBERTA LIQUOR CONTROL BOARD

Edmonton, Alberta, January 30th, 1942.

The Honourable Solon E. Low,
Provincial Treasurer,
Parliament Buildings,
Edmonton, Alberta.

Sir:

We have the honour to submit herewith the Report of the Alberta Liquor Control Board, covering the fiscal period from the 1st April, 1940, to the 31st March, 1941.

We have the honour to be, Sir,

Your obedient servants,

John A. King,
Chairman.

J. F. Percival,
Member.

TABLE OF CONTENTS

1. Report.

STATEMENTS

2. Balance Sheet ..... Statement "A"
3. Profit and Loss Account ..... Statement "B"
4. Cost of Goods Sold ..... Statement "C"

APPENDICES

APPENDIX "A" Statement showing Brewery, Beer, Club and Canteen Licenses, with record of cancellations and suspensions.

APPENDIX "B" Staff Return.

REPORT OF THE ALBERTA LIQUOR CONTROL BOARD

INTRODUCTION

The Seventeenth Annual Report of the Alberta Liquor Control Board covers the period from the 1st April, 1940, to the 31st March, 1941.

A brief commentary on the operations of the Board, together with copies of the Financial Statements, is incorporated herein.

As intimated in the report for last year, shipping facilities have continued to be available only on irregular schedules, and in consequence the difficulties of maintaining stocks have increased. Losses of stock in transit have been relatively small, and in all instances were covered by insurance.

LICENSING

The Five Breweries licensed to brew beer in the Province have operated to the satisfaction of the Board, and their products have been acceptable to the consuming public.

The Board's policy of having the Provincial Analyst make frequent tests of beers taken from the Brewery premises, and also from licensed premises throughout the Province, has been continued. His reports have testified to the uniform high quality of the Alberta products.

Beer Licenses issued with respect to Hotel premises numbered 387, and 385 of these were in operation as at 31st December, 1940.

It was found to be necessary to discipline four licensees by way of suspension of license privileges. In one instance suspension of the off-premises sale privilege was continued after the reinstatement of the license.

These suspensions are outlined in Appendix "A".

The Board wishes to stress at this time that in fractions of The Liquor Act by licensees or their employees will not be condoned, and where sufficient evidence is available, suspension or even cancellation of license will follow.

Numerous applications for beer selling privileges in new locations have reached the Board during the year, but unless it can be shown that additional Hotel accommodation is urgently required for the public service, the Board has adopted as its policy that no additional licenses will be issued during the War.

The Board has paid particular attention to the sterilization of glasses used in licensed premises throughout the Province, as it considers this to be a most important duty of a licensee.

Samples of the solutions in actual use at the time our Inspectors visit the premises are taken, and sent direct to the Provincial Analyst, at whose laboratories a thorough analysis takes place, and a report in detail is furnished to the Board.

This procedure enables us to combat statements which sometimes are perhaps too freely made in some quarters, to the effect that the glassware used in licensed premises contributes to the dissemination of communicable diseases.

During the entire year the Board has enjoyed the close co-operation and assistance of the Officers of the Alberta Hotel Association.

Club Licenses to the number of 53 were issued. These consisted of 25 to Returned Men's Organizations, 15 to Golf and Country Clubs, and 13 in other categories.

All premises were conducted in a proper manner.

As was to be expected, there was an increase in the number of Canteen Licenses issued. 28 such licenses were issued, and these were distributed throughout the Province.

GOVERNMENT LIQUOR STORES

There has been no increase in the number of Government Liquor Stores since the date of the last report.

LAW ENFORCEMENT

The duty of enforcing the provisions of The Liquor Control Act has remained with the Royal Canadian Mounted Police and the City and Municipal Police Forces throughout the Province. To the Officers of these Forces the Board extends its thanks for the splendid co-operation received.

GENERAL REMARKS

No Local Option Plebiscites were held during the period under review.

The sum of $66,937.25 was realized from the sale of Permits, but as this revenue is paid direct to the Provincial Treasury, the amount is not included in the Profit and Loss Account of the Board.

Ninety-seven Permits were cancelled during the year, the holders having committed infractions of The Liquor Control Act.

In addition to these Permits, any held by persons interdicted were automatically cancelled immediately the advice of interdiction reached the Board.

The Board and the Breweries in Alberta together paid to the Dominion Government a sum in excess of $2,890,000.00 by way of Customs and Excise Duty, Malt and Sales Tax on the various products sold through the Government Liquor Stores.

Individual Sales to Permittees numbered 1,863,395, at an average of $3.47 for each sale.

The Warehouses and Stores made 45,825 separate sales to Licensees.

Shipments to Permittees by express totalled 18,058, at a cost for transportation of $6,628.71. This cost is assumed by the Board. To points where the Express Companies do not maintain Agencies, shipments are made through the mails, and during the period under review 2,520 individual packages were dispatched in this manner. The cost to the Board for postage was $1,902.55.

STAFF

We have one rather interesting item in connection with staff statistics during the year that we wish to mention. You are aware, of course, that the staff of the Liquor Control Board is, in very large measure, made up of returned men from the First Great War. In addition to those men, we have a large staff of young ladies. It is interesting to note that approximately 10% of our staff has enlisted for service in the present War, and several of our young ladies are taking part in preparatory work, having in view the possible enlistment later. We feel that this is a very creditable showing.

We are proud of the fact that our staff have at all times shown an intense interest in their work, by loyalty and co-operation. The Board desire to express their sincere appreciation and thanks for this continued assistance.

John A. King,

Chairman.

J. F. Percival,

Member.

STATEMENT "A"

ALBERTA LIQUOR CONTROL BOARD

BALANCE SHEET AS AT MARCH 31, 1941

ASSETS

CASH ON HAND, IN BANKS AND IN TRANSIT			$ 85,665.51
CASH IN TREASURY BRANCHES			34,141.63
INVENTORIES:			
Stocks of liquor in bond at cost		$ 269,894.23	
Stocks of liquor in warehouses and stores at warehouse cost		650,087.13	
		$ 919,981.36	
Liquor in transit prepaid		4,944.70	
Containers on hand		431.15	
			925,357.21
ACCOUNTS RECEIVABLE			13,768.57
AUTOMOBILES, FURNITURE AND FIXTURES AT COST, less reserve for depreciation			24,941.69
PREPAID CHARGES			19,205.57
			$1,103,080.18

LIABILITIES

BANK OF MONTREAL OVERDRAFT			$ 254,805.05
ACCOUNTS PAYABLE			620,692.68
UNEARNED LICENSE REVENUE			48,431.62
RESERVES:			
Burglary		$ 10,000.00	
General		150,000.00	
			160,000.00
PROVINCIAL TREASURER:			
Unremitted income at March 31, 1940		$ 5,024.79	
Income for year ended March 31, 1941:			
Liquor profits and license fees		3,136,213.98	
Permit fees		71,413.25	
		$3,212,652.02	
Less:			
Remittances for year ended March 31, 1941	$3,143,501.19		
Transferred to general reserve	50,000.00		
		3,193,501.19	
			19,150.83
			$1,103,080.18

JOHN A. KING,
Chairman.

R. P. LEFROY,
Accountant.

Edmonton, Alberta, June 27, 1941.

I have audited the books and records of the Alberta Liquor Control Board for the year ended March 31, 1941, and the above Balance Sheet and accompanying Profit and Loss Account are in accordance therewith.

Physical inventories of liquor and containers were taken at March 31, 1941, by officials of the Board. Quantities were certified by respective warehouse and store managers. Cost of transferring stocks from warehouses to stores was not included in the inventory valuation. Inventories included goods on consignment amounting to $296,346.51, the corresponding liability being included with accounts payable on the Balance Sheet.

I have received all the information and explanations which I require, and certify that, in my opinion, the above Balance Sheet is properly drawn up so as to show the financial position of the Alberta Liquor Control Board as at March 31, 1941, and the accompanying Profit and Loss Account correctly sets forth the results of the operations for the year ended at that date.

CHAS. M. LANG, F.C.A.,
Acting Provincial Auditor.

STATEMENT "B"

ALBERTA LIQUOR CONTROL BOARD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 1941

	Liquor	Beer	Total
Gross sales	$4,847,838.89	$5,905,539.27	$10,753,378.16
Less: Cost of goods sold	2,559,273.23	4,699,694.12	7,258,967.35
	$2,288,565.66	$1,205,845.15	$3,494,410.81
Less: Stores operating expenses			579,893.42
			2,914,517.39
Add: Special income:			
License fees		$ 229,803.64	
Less: License expense		18,613.26	
		$ 211,190.38	
Sundry revenue		12,939.33	
			224,129.71
			$3,138,647.10
Less: Interest on bank overdraft			1,131.86
Net operating profit			$3,137,515.24
Less: Non-operating expense:			
Permit expense			1,301.26
Net income for the year ended March 31, 1941			$3,136,213.98

STATEMENT "C"

ALBERTA LIQUOR CONTROL BOARD

COST OF GOODS SOLD

FOR THE YEAR ENDED MARCH 31, 1941

Inventory, March 31, 1940:		
Liquor	$ 758,033.01	
Beer	97,398.26	
		$ 855,431.27
Add:		
Purchases, liquor	$ 834,020.52	
Purchases, confiscated liquor	206.30	
Purchases, jugs and bottles	38,002.51	
Duty	1,401,997.42	
Sales tax	183,051.65	
Inward freight	130,132.84	
Marine insurance	33,781.53	
	$2,621,192.77	
Purchases, beer	4,715,786.59	
		7,336,979.36
		$8,192,410.63
Less:		
Cash and trade discounts	$ 10,754.60	
Claims	2,600.96	
Breakages	106.36	
		13,461.92
		$8,178,948.71
Less: Inventory, March 31, 1941:		
Liquor	$ 806,490.63	
Beer	113,490.73	
		919,981.36
Cost of goods sold for the year ended March 31, 1941.		$7,258,967.35

APPENDIX "A"

STATEMENT SHOWING BREWERS', BEER, CLUB AND CANTEEN LICENSES ISSUED, WITH RECORD OF CANCELLATIONS AND SUSPENSIONS

BREWERS' LICENSES ISSUED, 1940

License Number	Name of Brewery	Place
1	Edmonton Breweries Limited	Edmonton
2	Lethbridge Breweries Limited	Lethbridge
3	Calgary Brewing and Malting Company Limited	Calgary
4	North West Brewing Company Limited	Edmonton
5	Big Horn Brewing Company Limited	Calgary

SUSPENSIONS OF BREWERY PRIVILEGES, 1940

Nil.

NUMBER OF BEER LICENSES IN FORCE AT DECEMBER 31st, 1940 385

CANCELLATIONS AND SUSPENSIONS OF BEER LICENSES, 1940:

Sangudo Hotel, Sangudo: Alex. Lagasse, Licensee. Beer License No. 238 suspended from February 11th to February 20th (inclusive), 1940. Infraction Section 112, The Government Liquor Control Act of Alberta.

Rowley Hotel, Rowley: John Angus MacDonald, Licensee. Beer License No. 330 suspended from September 1st to September 5th (inclusive), 1940. Infraction Section 35 (2), The Government Liquor Control Act of Alberta.

Acadia Hotel, Acadia Valley: Alphonse Muskeyn, Licensee. Beer License No. 3 suspended from September 25th to September 28th (inclusive), 1940. Infraction Section 37 (*a*), The Government Liquor Control Act of Alberta.

Hilliard Hotel, Hilliard: Mike Kleparchuk, Licensee. Beer License No. 177 suspended from November 14th to November 30th, inclusive, 1940. Off-premises sale privilege suspended from November 14th to December 20th (inclusive), 1940. Infraction Section 37 (*a*), The Government Liquor Control Act of Alberta.

NUMBER OF CLUB LICENSES IN FORCE AT DECEMBER 31st, 1940 53

CANCELLATIONS AND SUSPENSIONS OF CLUB LICENSES, 1940:

Nil.

NUMBER OF CANTEEN LICENSES IN FORCE AT DECEMBER 31st, 1940 28

CANCELLATIONS AND SUSPENSIONS OF CANTEEN LICENSES, 1940:

Nil.

APPENDIX "B"

STAFF AS AT MARCH 31st, 1941

	Male	Female	Temporary and Casual	Total
ADMINISTRATIVE OFFICES:				
Chairman	1			1
Member of Board (part time)	1			1
Secretary to Chairman		1		1
Secretary's Office	1	1		2
DEPARTMENTS:				
Accountant's	12	3	3	18
Beer Statistics	3	2		5
Licensing	4		1	5
Liquor Stocks	4		3	7
Traffic and Customs	2	5		7
WAREHOUSES	47	8	20	75
STORES	107		18	125
TOTAL	182	20	45	247